



PRESS RELEASE

AG Gansler Secures \$550 Million in Homeowner Relief from SunTrust to Address Mortgage Loan Origination, Servicing, and Foreclosure Abuses

Agreement may provide thousands of Maryland borrowers with more than \$33 million for loan modifications, direct payments and other relief

Baltimore, MD (June 17, 2014) - Attorney General Douglas F. Gansler today announced a \$550 million joint state-federal settlement with mortgage lender and servicer SunTrust Mortgage Inc., a wholly-owned subsidiary of SunTrust Banks Inc. As with previous mortgage and foreclosure settlements, this addresses mortgage origination, servicing, and foreclosure abuses such as robo-signing and improper documentation. The settlement with Attorney General Gansler, 48 other states, the District of Columbia, the U.S. Department of Justice (DOJ) and the U.S. Department of Housing and Urban Development (HUD) provides direct payments to Maryland borrowers, loan modifications and other relief for homeowners in need of assistance. Tough new mortgage servicing standards and oversight authority will be granted to an independent federal monitor. The amount of relief and assistance for Maryland consumers is estimated to exceed \$33 million.

"This agreement holds SunTrust accountable for past practices that were unacceptable, providing direct relief to thousands of Maryland borrowers," said Attorney General Gansler. "In addition to homeowner relief and assistance from one of the nation's major mortgage lenders, the settlement's tough servicing standards require SunTrust to treat its borrowers fairly."

While SunTrust will have some flexibility in distributing the benefits, current borrowers with loans serviced by SunTrust can contact the company directly (1-800-634-7928 or www.SunTrustMortgage.com) with questions. Additionally, approximately 1,200 eligible Maryland borrowers whose loans were serviced by SunTrust and who lost their home to foreclosure from January 1, 2008 through December 31, 2013, and encountered servicing abuse, will be eligible for a one-time payment from a \$40 million national fund. The amount of the borrower payment will depend on how many borrowers file claims. Eligible borrowers will be contacted about how to qualify for payments.

The settlement requires SunTrust to substantially change how it services mortgage loans, handles foreclosures and ensures the accuracy of information provided in federal bankruptcy court. The agreement's mortgage servicing terms largely follow the National Mortgage Settlement (NMS) reached in February 2012 between the federal government, 49 state attorneys general, including Attorney General Gansler, and the five largest national mortgage servicers. The terms will

prevent past foreclosure abuses, such as robo-signing, improper documentation and lost paperwork.

The settlement creates dozens of new consumer protections and standards, including:

- Requiring SunTrust to evaluate homeowners for other loss mitigation options before resorting to foreclosure;
- Restricting foreclosure while the homeowner is being considered for a loan modification;
- New procedures and timelines for reviewing loan modification applications;
- Giving homeowners the right to appeal denials;
- Mandating a single point of contact for borrowers seeking information about their loans and maintaining adequate staff to handle calls.

The agreement resolves potential violations of civil law based on SunTrust's deficient mortgage loan origination and servicing activities. It does not prevent state or federal authorities from pursuing criminal enforcement actions related to this or other conduct by SunTrust, or from punishing wrongful securitization conduct. Additionally, the agreement does not prevent any action by individual borrowers who wish to bring their own lawsuits.

The three-year agreement will be filed as a consent judgment in the U.S. District Court for the District of Columbia. The National Mortgage Settlement's independent monitor, Joseph A. Smith Jr., will oversee compliance.

The original 2012 National Mortgage Servicing Settlement with the nation's five largest mortgage lenders provided more than \$1.36 billion in relief for more than 17,300 Maryland borrowers. Additionally, more than 10,000 Maryland families who lost their home to foreclosure and were eligible under that settlement have received one-time \$1,500 payments.

Since then, Attorney General Gansler also secured a settlement with Ocwen Financial Corp., and its subsidiary, Ocwen Loan Servicing. Under the December 2013 agreement, Maryland homeowners were projected to receive \$85.7 million for direct relief and assistance plus \$2.5 million in direct payments to borrowers who lost their homes to foreclosure.

For more information about the two previous mortgage servicing settlements, visit:

[/Press/2013/082313.pdf](#)

[/Press/2013/121913b.pdf](#)

Additional information is available at:

[OAG Mortgage Services page](#)

www.NationalMortgageSettlement.com

www.HUD.gov

www.Doj.gov